

## SUBCHAPTER G—CONTRACT MANAGEMENT

### PART 2143—CONTRACT MODIFICATIONS

#### Subpart 2143.1—General

Sec.  
2143.101 Definitions.

#### Subpart 2143.2—Change Orders

2143.205 Contract clause.

AUTHORITY: 5 U.S.C. 8716; 40 U.S.C. 486(c); 48 CFR 1.301.

SOURCE: 58 FR 40380, July 28, 1993, unless otherwise noted.

#### Subpart 2143.1—General

##### 2143.101 Definitions.

The effective date of a FEGLI contract modification is as defined in FAR 43.101, except to the extent that the definition conflicts with LIFAR 2101.370.

#### Subpart 2143.2—Change Orders

##### 2143.205 Contract clause.

The clause at 2152.243–70 shall be inserted in all FEGLI Program contracts in lieu of the clauses in FAR 52.243–1 that are prescribed by FAR 43.205(a).

### PART 2144—SUBCONTRACTING POLICIES AND PROCEDURES

#### Subpart 2144.1—General

Sec.  
2144.102 Policy.

#### Subpart 2144.2—Consent to Subcontracts

2144.204 Contract clause.

AUTHORITY: 5 U.S.C. 8716; 40 U.S.C. 486(c); 48 CFR 1.301.

SOURCE: 58 FR 40380, July 28, 1993, unless otherwise noted.

#### Subpart 2144.1—General

##### 2144.102 Policy.

For all FEGLI Program contracts, the Contracting Officer's advance approval will be required on subcontracts or modifications to subcontracts when

the cost of that portion of the subcontract that is charged the FEGLI Program contract exceeds \$550,000 and is at least 25 percent of the total cost of the subcontract.

[70 FR 41153, July 18, 2005]

#### Subpart 2144.2—Consent to Subcontracts

##### 2144.204 Contract clause.

The clause set forth at 2152.244–70 shall be inserted in all FEGLI Program contracts.

### PART 2146—QUALITY ASSURANCE

#### Subpart 2146.2—Contract Quality Requirements

Sec.  
2146.201 General.  
2146.270 FEGLI Program quality assurance requirements.  
2146.270–1 Contract clause.

AUTHORITY: 5 U.S.C. 8716; 40 U.S.C. 486(c); 48 CFR 1.301.

SOURCE: 58 FR 40380, July 28, 1993, unless otherwise noted.

#### Subpart 2146.2—Contract Quality Requirements

##### 2146.201 General.

(a) This part prescribes policies and procedures to ensure that services acquired under the FEGLI Program contract conform to the contract's quality requirements.

(b) OPM will make an initial evaluation of the Contractor's system of internal controls under the quality assurance program required by 2146.270 of this chapter and will acknowledge in writing whether or not the system is consistent with the requirements set forth in this subpart. After the initial review, subsequent periodic reviews may be limited to changes in the Contractor's internal control guidelines.

## 2146.270

However, a limited review does not diminish the Contractor's obligation to apply the full internal control system.

[58 FR 40380, July 28, 1993, as amended at 70 FR 41153, July 18, 2005]

### 2146.270 FEGLI Program quality assurance requirements.

(a) The contractor shall develop and apply a quality assurance program specifying procedures for assuring contract quality, as directed by the contracting officer. At a minimum, the program should include procedures to address:

- (1) Accuracy of payments and recovery of overpayments;
- (2) Timeliness of payments to beneficiaries;
- (3) Quality of services and responsiveness to beneficiaries;
- (4) Quality of service and responsiveness to OPM; and
- (5) Detection and recovery of fraudulent claims.

(b) The Contractor must prepare overpayment recovery guidelines to include a system of internal controls.

(c) The contracting officer may order the correction of a deficiency or a modification in the contractor's services and/or quality assurance program. The contractor shall take the necessary action promptly to implement the contracting officer's order. If the contracting officer orders the correction of a deficiency or a modification of the contractor's services and/or quality assurance program pursuant to this paragraph after the contract year has begun, the costs incurred in correcting the deficiency or making the modification will not be considered to the contractor's detriment in the cost control factor of the service charge [if applicable] for the following contract year. However, if there is a deficiency, the deficiency itself may be taken into consideration.

[58 FR 40380, July 28, 1993, as amended at 70 FR 41153, July 18, 2005]

#### 2146.270-1 Contract clause.

The clause at 2152.246-70 shall be inserted in all FEGLI Program contracts.

## 48 CFR Ch. 21 (10-1-05 Edition)

### PART 2149—TERMINATION OF CONTRACTS

Sec.

2149.002 Applicability.

#### Subpart 2149.5—Contract Termination Clauses

2149.505 Other termination clauses.

2149.505-70 FEGLI Program contract termination clause.

AUTHORITY: 5 U.S.C. 8716; 40 U.S.C. 486(c); 48 CFR 1.301.

SOURCE: 58 FR 40380, July 28, 1993, unless otherwise noted.

#### 2149.002 Applicability.

(a) *Termination.* (1) Termination of FEGLI Program contracts is controlled by 5 U.S.C. 8709(c) and this chapter. The procedures for termination of FEGLI Program contracts are contained in FAR part 49. For the purpose of this part, terminate means to discontinue as used in 5 U.S.C. 8709(c).

(2) A life insurance contract entered into by OPM may be terminated by OPM at any time for default by the Contractor in accordance with the provisions of FAR part 49 and FAR 52.249-8. A life insurance contract entered into by OPM may be terminated by the Contractor at the end of the grace period, after default for nonpayment by OPM. Notwithstanding the preceding sentence, the Contractor will allow OPM an additional 5 days after the end of the grace period to make payment if the failure to make payment was inadvertent and/or due to circumstances beyond the Government's control.

(3) A life insurance contract entered into by OPM may be terminated for convenience of the Government 60 days after the Contractor's receipt of OPM's written notice to terminate.

(4) The Contractor may terminate its contract with OPM at the end of any contract year when notice of intent to terminate is given to OPM in writing at least 60 days prior to the end of the contract year (*i.e.*, no later than July 31).

(b) *Continuation of services.* The services under this contract are of vital interest to the Government and must be continued without interruption in the event the contract is terminated for